HOUSE BILL REPORT HB 2275

As Reported by House Committee On:

Labor & Workforce Development Appropriations Subcommittee on General Government & Information Technology

Title: An act relating to whistleblowers in the electrical industry.

Brief Description: Concerning whistleblowers in the electrical industry.

Sponsors: Representatives Van De Wege, Sells, Fitzgibbon, Dunshee, Farrell, Pollet, Reykdal, Ryu, Morrell, Habib, Bergquist and Ormsby.

Brief History:

Committee Activity:

Labor & Workforce Development: 1/23/14, 1/24/14 [DP]; Appropriations Subcommittee on General Government & Information Technology: 2/6/14 [DPS].

Brief Summary of Substitute Bill

• Creates a cause of action for electrical employee whistleblowers who are subjected to adverse action.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 5 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Moeller and Ormsby.

Minority Report: Do not pass. Signed by 4 members: Representatives Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Christian and G. Hunt.

Staff: Joan Elgee (786-7106).

Background:

The Department of Labor and Industries (Department) issues licenses to electrical contractors and certificates of competency to electricians and otherwise administers the regulation of

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

House Bill Report - 1 - HB 2275

electricians and electrical work. Permits and inspections are required for certain electrical work. Cities may conduct the inspections if they have equal or higher standards than the state.

Protection for whistleblowers is available in certain circumstances. For example, it is an unfair practice under the Washington Law Against Discrimination (WLAD) for an employer to discriminate against a person because he or she filed a charge under the WLAD. The Human Rights Commission investigates complaints and may order remedies, which include reinstatement and back pay. Whistleblowers employed by an elevator contractor have the remedies provided under the WLAD.

Summary of Bill:

A whistleblower in the electrical industry who is subject to workplace reprisal or retaliatory action as a result of being a whistleblower has a right to the protections, procedures, and remedies provided under the WLAD.

A whistleblower is an employee who, in good faith, reports or opposes practices that may violate the electrical laws or rules or the employer's policies on safety, installation, repair, or maintenance. An employee who is believed to have reported such practices or who assists in the reporting of practices, or provides testimony or information in connection with the reporting of practices, is also a whistleblower. Workplace reprisal or retaliatory action includes discharge or discrimination: (1) against an employee who reported or filed any complaint; or (2) against an employee who instituted any proceeding under or related to the electrical laws, or has testified or is about to testify in a proceeding; or (3) because the employee has exercised on behalf of himself or herself or others any right or responsibility under the electrical laws.

The identity of a whistleblower who in good faith reports practices that may violate the electrical laws or rules to the Department or a city that regulates electrical installation must remain confidential. A whistleblower who communicates to an appropriate governmental agency in good faith is immune from civil liability based upon the communication to the agency.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

House Bill Report - 2 - HB 2275

(In support) This bill will make sure workers are safe. Electricians should not have to worry about risking their jobs or their lives for talking about things that are unsafe. They should be protected from being harassed or disciplined. Electricians are often pushed to cut corners. They are at-will employees who should not have to risk their jobs. A trainee lost her job because she refused to do a task she knew she could not do.

These are basic whistleblower protections modeled after the elevator bill, which has improved public safety. This is a high stakes industry. Electricians are killed on the job every year. Electrical work is also a leading cause of fires. A homeowner was told faulty wiring put her house at risk for burning down.

(Opposed) A huge risk of retaliation claims is created by this bill. The bill is very broad. It applies to an employee who believes that his or her employer believes the employee has complained or helped file a complaint. There is no penalty if an employee makes an unwarranted claim. Small businesses will have to "lawyer up" if a complaint is filed. Even if they win, they are still out the \$10,000 or more in legal costs. The bill is unfair as a phone call could put a firm out of business.

The fiscal note indicates it will cost \$460,000 to implement.

It's not clear why the electrical industry is being singled out. The industry is not aware of any widespread concern and is dumbfounded that the bill is being discussed. Electricians are free to talk to their employers.

Persons Testifying: (In support) Representative Van De Wege, prime sponsor; Bob Guenther, International Brotherhood of Electrical Workers; Nicole Grant, Certified Electrical Workers of Washington; Conor Bronsdon, Washington State Labor Council; and Chelsea Nelson.

(Opposed) Larry Stevens, National Electrical Contractors Association; Gary Smith, Independent Business Association; and Michael Curley, Washington State Electrical Contractors Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Hudgins, Chair; Dunshee, S. Hunt, Jinkins and Springer.

Minority Report: Do not pass. Signed by 4 members: Representatives Parker, Ranking Minority Member; Buys, Christian and Taylor.

Staff: Alex MacBain (786-7288).

Summary of Recommendation of Committee On Appropriations Subcommittee on General Government & Information Technology Compared to Recommendation of Committee On Labor & Workforce Development:

The Appropriations Subcommittee on General Government and Information Technology recommended removal of the provisions stating that a whistleblower who has been subject to workplace reprisal or retaliatory action has a right to the protections of the Washington Law Against Discrimination. Instead, it provides that an employer may not take adverse action against an employee who is a whistleblower, and allows an aggrieved employee to file a cause of action against the employer for compensatory damages, injunctive relief, attorneys' fees, and costs.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Workers are being fired and disciplined for complaining and are pressured to do unsafe work. Public safety is at risk. A similar bill was passed for elevator workers. The Washington State Patrol reports that nationwide \$700 million in damages was caused and 20,000 homes burned down as a direct result of faulty wiring. Last year, 200 workers were electrocuted and over 50 percent were in the construction industry. The bill will stop bad work references. Changes to address the fiscal impact are supported. The bill will also help with the underground economy.

(Opposed) This is an anti-jobs bill. Small businesses will have to 'lawyer up' if a complaint is filed. Even if they win, they are still out the \$10,000 or more in legal costs. The Human Rights Commission is not prepared to deal with these cases; the bill is fitting a square peg into a round hole. This bill is a solution looking for a problem. Electrical fires in the state are caused by user error, not installations. Union contracts have grievance procedures.

Persons Testifying: (In support) Conor Bronsdon, Washington State Labor Council; Clint Bryson, International Brotherhood of Electrical Workers; and Joe Lorenzo, International Brotherhood of Electrical Workers, Local 191.

(Opposed) Gary Smith, Independent Business Association; and Jim King, Washington State HVAC Association.

Persons Signed In To Testify But Not Testifying: None.

House Bill Report - 4 - HB 2275